



County of Los Angeles CHIEF EXECUTIVE OFFICE

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WILLIAM T FUJIOKA
Chief Executive Officer

September 23, 2013

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To: Supervisor Mark Ridley-Thomas, Chairman
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From: William T Fujioka
Chief Executive Officer

MOTION TO SEND A FIVE-SIGNATURE LETTER TO THE GOVERNOR EXPRESSING THE BOARD'S OPPOSITION TO SB 695 AND URGE THE GOVERNOR NOT TO APPROVE THE BILL (AGENDA ITEM NO. 32-C, MEETING OF SEPTEMBER 24, 2013)

Item No. 32-C on the September 24, 2013 Agenda is a motion by Supervisor Ridley-Thomas to immediately send a five-signature letter to the Governor of California expressing the Board's opposition to Senate Bill 695 and urging the Governor not to approve the bill.

Existing Law

Existing law establishes the California Science Center (CSC) and requires the CSC to manage or operate its parking facilities in a manner that preserves and protects the interests of the CSC and the California African American Museum, and which recognizes the cultural and educational character of Exposition Park. Existing law further requires all revenues received by the CSC from its parking facilities to be deposited in the Exposition Park Improvement Fund in the State Treasury, and specifies that the funds may only be used, upon appropriation by the Legislature, for improvements to Exposition Park.

SB 695 (Wright) Analysis

SB 695 (Wright), which as enrolled on September 9, 2013, would: 1) provide that the California Science Center shall not delegate to any other party the power to manage and operate its parking facilities and would specify that those provisions are declaratory of existing law; 2) require the CSC to establish the minimum and maximum parking

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rates charged at parking facilities in Exposition Park; and 3) prohibit the CSC from entering into, and the California Director of General Services from approving, a sale of, or lease for a term of more than 10 years for the use of its parking facilities, the Los Angeles Memorial Coliseum, or the Los Angeles Memorial Sports Arena, unless the Legislature authorizes the proposed sale or lease by statute, except if the lease contains terms that require the lessee to perform substantial capital improvements.

According to Senator Wright's office, the CSC has no statutory authority to delegate control of State parking lots to the University of Southern California (USC). The author's office states that Legislative Counsel has opined that prohibitions against the delegation of power to USC to operate the CSC's parking lots are declaratory of existing law because State agencies are required to exercise power in accordance with the manner prescribed by statute. The author's office further notes that existing law requires the CSC to deposit all revenues received from parking facilities into the Exposition Park Improvement Fund and these monies may only be used, upon appropriation by the Legislature, for improvements to Exposition Park, which demonstrates that the CSC is required to comply with statutory mandates.

According to the Department of Finance (DOF), it opposes SB 695 because it unnecessarily restricts the CSC's ability to contract with outside entities for parking operations agreements that may be beneficial to the State. The DOF further notes that while the Legislature is not precluded from limiting any CSC leases to no more than 10 years, it is common practice for the California Department of General Services and other State agencies to negotiate long-term leases of up to 25 years in order to secure the most favorable terms.

SB 695 is currently before the Governor for his consideration.

There is no registered support for SB 695. The measure is opposed by the University of Southern California and the Department of Finance.

Conclusion

As enrolled, SB 695 would not affect the Coliseum Commission's ground leases with the State for the Coliseum and Sports Arena properties; however, for the parking lots that are the subject of SB 695 which serve the Coliseum and Sports Arena and other facilities in Exposition Park, such as the Natural History Museum, the bill may impact their respective operations. This office is working with affected departments to determine potential impact on their operations.

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In addition, County Counsel indicates that the Coliseum Commission and USC amended their lease on July 25, 2013 to transfer management responsibility of the Coliseum and Sports Arena to USC, and that USC notified the Coliseum Commission on September 5, 2013, that the California Science Center and USC entered into agreements regarding the parking lots in Exposition Park and for leasing of the Coliseum and Sports Area after expiration of the Coliseum Commission lease in 2054, removing all remaining contingencies to the effectiveness of the Commission-USC lease amendment. SB 695 would not directly affect the Commission-USC lease amendment.

As there is no specific Board-approved policy related to the California Science Center management or operation of its parking facilities and related lease agreements negotiated and executed by the CSC, **approval of this motion is a matter of Board policy determination.**

We will continue to keep you advised.

WTF:RA
MR:RM:ma

c: Executive Office, Board of Supervisors
County Counsel